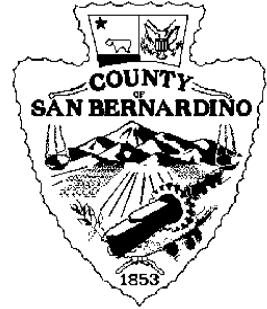


NEWS

From the County of San Bernardino

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For more information, contact
David Wert, Public Information Officer
(909) 387-4082
dwert@cao.sbcounty.gov
or Brad Mitzelfelt, Chief of Staff, First District
(909) 387-4830

Desert, Mountain residents owed gas rate rebates

An Administrative Law Judge and a California Public Utilities Commissioner have separately found that San Bernardino County customers of Southwest Gas were overcharged during the winter of 2000-2001 and are owed millions of dollars in rebates.

On May 24, 2002, Administrative Law Judge Tim Sullivan and California Public Utilities Commissioner Carl Wood issued draft results of their investigations encouraged by a request by the County of San Bernardino to the PUC.

Both decided that Southwest Gas should not be allowed to recover millions of dollars in gas procurement costs and should rebate their customers the amount. Judge Sullivan concluded that Southwest Gas had overcharged its San Bernardino County customers \$3,185,430 while Commissioner Wood concluded that there was an overcharge of \$5,799,067.

"Supervisor Dennis Hansberger and I urged our fellow members of the Board of Supervisors to take the unusual step of calling for a PUC investigation because it was clear to us that our constituents were being overcharged," said Supervisor Bill Postmus. "We are very close to making sure that residents get some of their money back," Supervisor Postmus said.

The PUC is scheduled to make a final decision on the findings of Judge Sullivan and Commissioner Wood on June 27. At that time an exact amount would be determined, as well as how the rebates would be distributed.

"It is rare for a local government agency to challenge the rates being charged by a utility," said Supervisor Hansberger. "However, it was clear to Supervisor Postmus and I, and eventually the rest of the Board of Supervisors, that someone needed to step up to the plate and act on behalf of the residents."

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During the winter of 2000 many of Southwest Gas customers in districts represented by Supervisor Postmus and Supervisor Hansberger were subjected to abnormally high gas bills. The Board of Supervisors directed staff to investigate this and determine if Southwest Gas had unfairly billed county residents. The county determined that in fact some residents were unfairly charged and requested action from the PUC.

As a result, on June 28, 2001, the PUC launched an investigation into Southwest Gas Corporation's natural gas procurement practices from June 1, 1999 through May 31, 2001. The county, by authorization of the Board of Supervisors, joined as a party to the PUC investigation.

Southwest Gas provides natural gas to 140,000 customers in the High Desert area of San Bernardino County and Big Bear Lake valley. Southwest Gas serves a total of 1,337,000 customers in California, Nevada, and Arizona.